etc. and according to State Government's budget for 1989-90, interest *to* be paid by the State Government on these debts during 1988-89 was estimated at Rs. 198. 33 crores.

(b) Debt servicing requirements are taken into consideration while funding the State's Plan. Earlier, in addition to fully funding the annual Plan, Centra] assistance, was also given *to* the State Government for meeting the gap in non-plan expenditure including repayment of principal and payment of interest on loans due. For instance, in 1988-89, in addition to fully funding the annual plan outlay, a Central assistance of Rs. 81. 81 crores was also provided *to* bear the gap in non-plan expenditure. This practice has been discontinued from the current year as the recommendations of the Ninth Finance Commission regarding devolution on the revenue account and debt relief take care of the non-plan gap in the resources.

Vacation of Stay Order Passed by Madras High Court for recovery against MPS. I. T. C. Limited Bangalore,

401. SHRI ISH DUTT YADAV: Will the Minister of FINANCE be pleased to state-.

(a) whether it is a fact that Madras High Court has stayed the recovery proceedings against confirmed demand of Rs. 27. 58 crores from M/s, ITC, Limited, Bangalore; and

(b) if so, what steps have been taken **by** the Central Government to get the stay order vaeated when the Attorney General of India has given his opinion and upheld the judgment of Director Gene-ral of Inspection, New Delhi?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) Yes, Sir.

(b) A counter affidavit has been filed in the High Court of Madras for vacating the stay and the Senior Standing Counsel at Madras has been requested to move the Court for early vacaion of the stay.

Government Policy to prosecute tax evaders after completion of adjudication proceedings

402. SHRI ISH DUTT YADAV: Will the Minister of FINANCE be pleased to state;

(a) whether it is the policy of Government to launch prosecution against tax evaders after the adjudication is completed; and

(b) if so, what steps have been taken by Government in the case M/s. I. T. C. Ltd., and their Directors where the adjudication has already been completed by Director General of Inspection, New Delhi as far back as 10th April, 1986?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) As per guidelines laid **down** by **Central Board** of Excise & Customs, prosecution **in** Central Excise cases is normally launched immediately after adjudication proceedings' are completed. **However, if** the assessee deliberately delays completion of adjudication proceedings, prosecution can be launched even during the pendency of the adjudication proceedings. It has further been decided that in ciga-" rettes evasion cases prosecution should **be** launched only after completion of adjudication proceedings.

(b) Director General - of Inspection, Customs and Central Excise, New **Delhi** in his adjudication order dated 10. 4. 1986 had not quantified the amount of duty ' evasion against the company. Only the Principles for quantifying the amount of duty evasion were laid down by him **in** his order. The question of quantification of amount of duty evasion became the subject matter of dispute and was finally referred to Attorney General of India whose opinion has been received only in the month of May, 1989.

The amount has since been quantified. As per directions of the Ministry through letter dated 24th October, 1989 Collect of Central Excise, Calcutta-I in consultation with Ministiy of Law is examining the question of prosecution in this case.